

Senate, March 26, 1998. The Committee on Planning and Development reported through SEN. COLEMAN, 2nd DIST., Chairman of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING RESIDENTIAL MORTGAGE REFINANCING PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 8-265p of the general statutes is
2 repealed and the following is substituted in lieu
3 thereof:

4 The authority shall establish, within the
5 resources allocated by the State Bond Commission
6 to the Department of Economic and Community
7 Development for the purposes of sections 8-265o to
8 8-265v, inclusive, a residential mortgage
9 guarantee program. The purpose of the program
10 shall be to enable residential mortgagors to
11 obtain mortgage credit, otherwise unavailable, for
12 the refinancing of existing mortgages. [The
13 authority shall implement the program in a manner
14 designed to facilitate the qualifications of the
15 loans guaranteed under the program for sale to one
16 or more secondary mortgage markets for such
17 loans.] The authority shall compute the amount of
18 guarantees authorized for the purposes of sections
19 8-265o to 8-265v, inclusive, on the basis of not
20 more than ten times the resources allocated by the
21 State Bond Commission to the Department of
22 Economic and Community Development for such

23 purposes, including fees received pursuant to
24 section 8-265t.

25 HSG COMMITTEE VOTE: YEA 7 NAY 3 JF C/R PD
26 PD COMMITTEE VOTE: YEA 13 NAY 6 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 464

STATE IMPACT	None		
MUNICIPAL IMPACT	None		
STATE AGENCY(S)	Connecticut Housing Authority (quasi-public)	Finance	

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OLR BILL ANALYSIS

SB 464

AN ACT CONCERNING RESIDENTIAL MORTGAGE REFINANCING PROGRAM

SUMMARY: This bill eliminates the requirement that the Connecticut Housing Finance Authority (CHFA) guarantee loans under the Residential Mortgage Refinancing Program in a way that allows participating banks to market them on the secondary market. The program serves homeowners who cannot refinance their mortgages because the value of their homes declined. The CHFA guarantee protects banks from any loss if the homeowner defaults on the loan. The guarantee covers principal and interest and any fees and expenses the bank incurs if it has to foreclose on the home.

EFFECTIVE DATE: October 1, 1998

COMMITTEE ACTION

Housing Committee

Joint Favorable Change of Reference
Yea 7 Nay 3

Planning and Development Committee

Joint Favorable Report
Yea 13 Nay 6